

Village of Copemish

Manistee County, Michigan

Audited Financial Statements

For the Year Ended February 29, 2004

AUDITING PROCEDURES REPORT

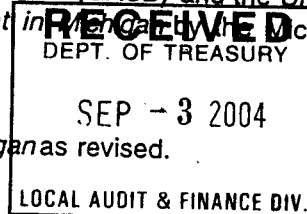
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Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input checked="" type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name VILLAGE OF COPEMISH	County
Audit Date 2-29-04	Opinion Date 7-16-04	Date Accountant Report Submitted to State: 8-30-04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan, Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.



We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☒ yes ☐ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ yes ☐ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) JL STEPHAN CO PC			
Street Address 862 E. EIGHTH ST		City TRAVERSE CITY	State MI
Accountant Signature <i>John P. Moran CPA</i>		ZIP 49696	

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INTRODUCTORY SECTION

Village of Copemish

Comments and Recommendations

In planning and performing our audit of the financial statements of The Village of Copemish as of and for the year ended February 29, 2004, we studied and evaluated the Village's internal control structure. Because the study and evaluation were only part of the overall audit plan regarding the financial statements, our study was more limited than would be necessary to express an opinion on the system of internal control taken as a whole. Accordingly, we do not express an opinion on the system of internal control of the Village taken as a whole.

We noted certain matters involving the internal control structure and its operation that we consider being reportable conditions under standards established by the AICPA. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment could adversely affect the unit's ability to record, process, summarize, and report data consistent with the assertions of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

We noted the following reportable conditions that we believe to be material weaknesses.

Bank Reconciliations

The Michigan Department of Treasury requires that the Treasurer's cash ledgers be reconciled to the banks each month. The Treasurer has not prepared bank reconciliations for any bank accounts for the past two years. We had to spend significant additional time to prepare bank reconciliations for the beginning and end of year for all accounts. As a result, the Treasurer's cash balances and Treasurer's reports did not equal the actual reconciled cash balances for any bank account. In addition, bank overdraft fees were charged by the bank on several occasions. We also noted several deposits for which no receipts were prepared by the treasurer. We recommend the Treasurer complete a formal written bank reconciliation for each bank account on a monthly basis and confirm those balances with the Clerk's books.

Receipt and Disbursement Journals

The receipts and disbursements journals were not totaled for the year. They should have been totaled for each separate revenue type and expenditure activity for all funds. In addition, the receipts and disbursement journals had missing items and were out of balance. As a result, all funds were out of balance. We had to spend additional time summarizing and analyzing revenue & expenditure totals. We also recommend the journal monthly totals and year-to-date totals be footed and cross-footed each month.

Village of Copemish

Comments and Recommendations

Operating Reports

The year-end operating reports were incomplete and had incorrect balances for several line items. In addition, the amounts reported did not reconcile to beginning and ending cash balances. This required additional time to summarize year-end totals. We recommend quarterly operating reports be prepared to show actual and budgeted revenues and expenditures for each fund. These reports should also reconcile beginning and ending cash or fund balances. We recommend that the Clerk and Treasurer compare cash balances and update transactions on a minimum monthly basis to ensure balancing.

The following are reportable conditions that are not believed to be material weaknesses.

Property Taxes

The Treasurer does not reconcile total taxes collected per her records to amount settled with County Treasurer. A running total of taxes collected should be kept and compared to amount calculated by County Treasurer's office at settlement time.

Labor and Equipment Rental Reimbursements

The August 2003 labor and equipment rental report was missing and not paid. This form should be located or reconstructed and paid. In addition, we noted that the monthly labor and equipment summary is not being maintained by the Treasurer. We recommend that this summary be maintained on a monthly basis and that reimbursement be made by the council every month.

In a continuing effort to improve the accounting system, financial reporting, and overall management, we offer the following comments and recommendations that we do not consider to be reportable conditions.

Deficit Fund Balances

We noted that the Major Streets Fund had a deficit fund balance at the beginning of the year of (\$133) and over \$(17,000) at the end of the year. The Local Streets Fund had a ending deficit of (\$2,640). These are primarily the result of unpaid labor and equipment rentals and amounts owed to the Road Commission and General Fund. Deficit fund balances are not allowed in Michigan, and a deficit elimination plan should be filed with the State ASAP.

Budgeting

The board minutes note that a budget was reviewed and adopted, but no copy of the budget was attached to the board minutes and no separate budget was signed as the official adopted budget. Also, the board minutes did not reflect the level at which the budget was adopted or that a separate budget hearing was held. The board minutes did reflect budget amendments made during the year, but no detail was provided. State law requires proper documentation for all budget amendments. We recommend increased care in this area.

Act 51 Report

The Village received an unusually large winter maintenance reimbursement in March 2004. It appears to be because last year's Act 51 report was incorrect. We recommend the Village correct the report and resubmit. This may result in having to pay back a portion of the amount received.

Village of Copemish

Comments and Recommendations

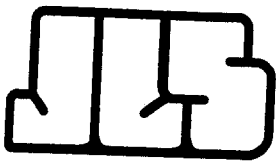
Major Street Fund Road Work

Work done by the Road Commission for Major Streets was paid for out of the General Fund and not recorded in the Street Fund. It appears the Council intended to loan money to the Street Fund and repay, but this was not recorded on the books. A loan from one fund to another should be done with a check and then recorded in each fund. We also noted that repayments were made in April and May 2004 from the Local Streets fund even though it was for Major Streets work. Local Streets will have to be repaid.

Closing Comments

These comments and recommendations are intended for the information and use of the Village Council and Elected Officials of the Village of Copemish and the Michigan Department of Treasury Local Audit Division, and are not intended to be and should not be used by anyone other than those specified parties. We will be happy to discuss any of these recommendations with you and assist you in their implementation. We further appreciate the courtesy extended our field auditors in the conduct of this audit engagement.

FINANCIAL SECTION



J L Stephan Co PC

Certified Public Accountants

Jerry L. Stephan, CPA
John P. Morse, CPA

Marty Szasz, CPA
David Skibowski, Jr., CPA

INDEPENDENT AUDITOR'S REPORT

To the Village Council
Village of Copemish
Copemish, MI 49625

We have audited the accompanying general purpose financial statements of the Village of Copemish, Manistee County, Michigan, as of and for the year ended February 29, 2004, as listed in the table of contents. These financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2, the Village prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Copemish, Manistee County, Michigan, as of February 29, 2004, and the results of its operations for the year then ended in conformity with modified cash basis of accounting.

Our examination was made for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying financial information listed as Supplemental Data in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Village of Copemish. This information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

J L Stephan Co PC

July 16, 2004

Village of Copenish

Combined Balance Sheet

Modified Cash Basis

All Fund Types and Account Groups

February 29, 2004

Exhibit A

	Governmental Fund Types					Account Groups			Total (Memo Only)
	General	Special Revenue	General Fixed Assets	General Long Term Debt		General Fixed Assets	General Long Term Debt		
Assets									
Cash	\$ 18,250	\$ 2,135	\$ -	\$ -				\$	20,385
Taxes Receivable	-	-	-	-					-
Due from Other Funds	13,620	-	-	-					-
Amount to be Provided for Long Term Debt	-	-	-	-					13,620
Property, Plant and Equipment (Net)	-	-	-	-					-
Total Assets	<u>\$ 31,870</u>	<u>\$ 2,135</u>	<u>\$ 157,739</u>	<u>\$ -</u>		<u>\$ 157,739</u>	<u>\$ -</u>		<u>\$ 157,739</u>
									<u>\$ 191,744</u>
Liabilities and Fund Equity									
Liabilities									
Due to Other Funds	\$ -	\$ 13,620	\$ -	\$ -				\$	13,620
Due to Other Units	-	8,159	-	-					8,159
Note Payable	-	-	-	-					-
Total Liabilities	<u>-</u>	<u>21,779</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>		<u>21,779</u>
Fund Equity									
Investment in General Fixed Assets	-	-	157,739	-					157,739
Fund Balances - Unreserved	31,870	(19,644)	-	-					12,226
Total Fund Equity	<u>31,870</u>	<u>(19,644)</u>	<u>157,739</u>	<u>-</u>		<u>157,739</u>	<u>-</u>		<u>169,965</u>
Total Liabilities and Fund Equity	<u>\$ 31,870</u>	<u>\$ 2,135</u>	<u>\$ 157,739</u>	<u>\$ -</u>		<u>\$ 157,739</u>	<u>\$ -</u>		<u>\$ 191,744</u>

Village of Copenish
Combined Statement of Revenues, Expenditures and Changes in Fund Balance
Modified Cash Basis
All Governmental Funds
For the Year Ended February 29, 2004

Exhibit B

	<i>General Fund</i>	<i>Special Revenue Funds</i>	<i>Total (Memo Only)</i>
<i>Revenues</i>			
Taxes	\$ 34,769	\$ -	\$ 34,769
State Shared Revenue	24,568	37,988	62,556
Wage and Equip. Rental Reimbursement	41,350	-	41,350
Licenses and Fees	95	-	95
Charges for Services	7,261	-	7,261
Interest and Rentals	92	43	135
Private Grants & Contributions	-	-	-
Other Revenue	2,023	-	2,023
<i>Total Revenues</i>	<u>110,158</u>	<u>38,031</u>	<u>148,189</u>
<i>Expenditures</i>			
General Government	72,664	-	72,664
Public Works	9,408	59,135	68,543
Community Development	43	-	43
Other Functions	6,385	-	6,385
Recreational & Cultural	-	-	-
Debt Service	3,879	-	3,879
<i>Total Expenditures</i>	<u>92,379</u>	<u>59,135</u>	<u>151,514</u>
<i>Excess Revenues Over (Under) Expenditures</i>	17,779	(21,104)	(3,325)
<i>Other Financing Sources (Uses)</i>			
Operating Transfers In	-	-	-
Operating Transfers (Out)	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess Revenues (Expenditures) and Other Sources (Uses)</i>	17,779	(21,104)	(3,325)
Fund Balance - Beginning of Year	<u>14,091</u>	<u>1,460</u>	<u>15,551</u>
Fund Balance - End of Year	<u>\$ 31,870</u>	<u>\$ (19,644)</u>	<u>\$ 12,226</u>

See Accompanying Notes to Financial Statements

Village of Copenish

Exhibit C

Combined Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Modified Cash Basis General and Special Revenue Funds For the Year Ended February 29, 2004

	General Fund			Special Revenue Funds		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
Revenues						
Taxes						
State Shared Revenue	\$ 30,000	\$ 34,769	\$ 4,769	\$ -	\$ -	\$ -
Wage and Equipment Rental Reimbursement	23,300	24,568	1,268	31,000	37,988	6,988
Licenses and Fees	25,000	41,350	16,350	-	-	-
Charges for Services	-	95	95	-	-	-
Interest and Rentals	6,000	7,261	1,261	-	-	-
Miscellaneous	300	92	(208)	-	-	-
Total Revenues	84,600	110,158	25,558	31,200	38,031	6,831
Expenditures						
General Government						
Public Works	80,175	72,664	7,511	-	-	-
Community Development	9,850	9,408	442	31,100	59,135	(28,035)
Other Functions	75	43	32	-	-	-
Recreational & Cultural	4,500	6,385	(1,885)	-	-	-
Debt Service	-	-	-	-	-	-
Total Expenditures	94,600	92,379	(2,221)	31,100	59,135	(28,035)
Excess Revenues Over (Under) Expenditures	(10,000)	17,779	27,779	100	(21,104)	(21,204)
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (10,000)	17,779	\$ 27,779	\$ 100	(21,104)	\$ (21,204)
Fund Balance - Beginning of Year		14,091			1,460	
Fund Balance - End of Year		\$ 31,870			\$ (19,644)	

See Accompanying Notes to Financial Statements

Village of Copemish
Notes to Financial Statements
February 29, 2004

Note 1 - Description of Operations and Fund Types

Village of Copemish is a Common Law Village as defined by the laws of the State of Michigan. An elected Mayor and Village Council govern the Village. The current State Taxable Valuation is \$2,989,156.

A. Reporting Entity

The criteria established by Statement 14 of the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity's financial statements are based primarily on the concept of financial accountability. On this basis, accordingly, no financial statements of other organizations are included in these financial statements.

B. Basis of Presentation

The financial activities of the local unit are recorded in separate funds and account groups, categorized and described as follows:

Governmental Funds

General Fund - This Fund is used to account for all financial transactions not accounted for in another fund, including the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, state distributions, and other intergovernmental revenues.

Special Revenue Funds - These Funds are used to account for specific governmental revenues (other than special assessments and major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. The three Special Revenue Funds currently maintained by the Village of Copemish are the Major Street, Local Street, and the Park Funds.

Account Groups

General Fixed Assets Account Group - This account group presents the fixed assets of the local unit utilized in its general operations (non-proprietary fixed assets).

Long-Term Debt - Long-term liabilities to be financed from Village funds are accounted for in the general long-term debt account group.

Note 2 - Summary of Significant Accounting Policies

A. Basis of Accounting

The Village maintains its books and presents its financial statements on the modified cash basis of accounting. Consequently, certain revenues are recognized when received rather than when earned and certain expenditures are recognized when cash is disbursed rather than when the obligation is incurred.

Village of Copemish
Notes to Financial Statements
February 29, 2004

Note 2 - Summary of Significant Accounting Policies – continued

The general fixed asset and general long-term debt account groups are not funds. They are concerned only with the measurement of financial position. They are not involved with measuring the results of operations.

B. Budgets

The General Fund and Special Revenue Fund types are under formal budgetary control. Budgets shown in the financial statements for these funds were prepared on a basis not significantly different from the modified accrual basis used to reflect actual results and consist of those amounts which the clerk indicates were approved and amended by the Village.

In the body of the combined financial statements, the Village's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a function basis. The approved budgets of the Village for these budgetary funds are treated as being adopted to the activity level.

Encumbrance accounting is not used and appropriations normally lapse at year-end.

C. Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain (infrastructure) general fixed assets consisting of roads, bridges, curbs and gutters, streets, and sidewalks, drainage systems and lighting systems are excluded from general fixed assets as items are immovable and of value only to the Village. No depreciation is recorded on general fixed assets.

Fixed assets are recorded at historical cost. Donated fixed assets are valued at the fair market value as of the date received.

D. Property Taxes

The Village collects property taxes between July 1 and September 1. After this time, the taxes become delinquent and must be paid at the County Treasurer's office. The County pays the Village for uncollected taxes from proceeds of revolving tax notes. Personal property taxes are the responsibility of the Village to collect. Delinquent real property taxes receivable are offset by deferred revenue for all Governmental Fund Types on the Village's balance sheet, as these amounts are not normally received within sixty days of year end, therefore, they are not available to finance current operations.

E. Total Column

The total column on the financial statements is captioned (Memo Only) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Village of Copemish
Notes to Financial Statements
February 29, 2004

Note 3 - Material Violations of Legal and Contractual Provisions

A. Budget Compliance

P.A. 621 of 1978, Section 18 (1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended February 29, 2004, the Village had expenditures in excess of amounts appropriated as follows:

	Budget	Actual	Variance
General Fund, President	\$ 2,182	\$ 2,670	\$ (488)
General Fund, Other General Gov't	500	1,186	(686)
General Fund, Retirement	-	1,040	(1,040)
General Fund, Health Insurance	3,500	3,657	(157)
General Fund, Unclassified	-	1,688	(1,688)
Major Street Fund, Routine Maintenance	20,100	43,478	(23,378)
Local Street Fund, Routine Maintenance	11,000	15,657	(4,657)

B. Check Signing

Two signatures are required on all checks. Currently only one person is signing Street Fund Checks.

Note 4 - Deposits with Financial Institutions

A. Legal or Contractual Provisions for Deposits and Investments

The Michigan Political Subdivisions Act No. 20, Public Acts of 1943, as amended by act No. 217, Public Acts of 1982, states the Village, by resolution, may authorize the Treasurer to invest surplus funds as follows:

- A. In bonds and other direct obligations of the United States or an agency or instrumentality of the United States.
- B. In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union complies with Subsection (2).
- C. In commercial paper rated at the time of purchase within the 3 highest classifications established by not less than 2 standard rating services and which matures not more than 270 days after the date of purchase. Not more than 50% of any fund may be invested in commercial paper at any time.

B. Types of Deposits and Investments

The Village maintains all its surplus funds with a local bank in the form of savings/checking accounts. Interpreting the FDIC insurance coverage of \$100,000 per deposit to apply to the total savings/time deposits separately from checking/demand deposits for purposes of applying the \$100,000 limit, the bank balances at the end of the fiscal year appear to be entirely insured for all funds.

Village of Copemish
Notes to Financial Statements
February 29, 2004

Note 5 - Changes in General Fixed Assets

Fixed assets in the General Fixed Asset Group of Accounts as of February 29, 2004, are summarized as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	\$ 45,000	\$ -	\$ -	\$ 45,000
Buildings	26,000	-	-	26,000
Equipment	113,277	-	-	113,277
Office Equipment	1,900	-	-	1,900
Total	<u>\$ 186,177</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 186,177</u>

Note 6 - Long-Term Debt

The following is a summary of transactions that occurred with a loan payable for a dump truck during the year ended February 29, 2004:

	<u>Dump Truck Loan</u>
Beginning Balance	\$ 3,879
New Borrowing	-
Principal Paid	<u>3,879</u>
Ending Balance	<u>\$ -</u>

Note 7 - Risk Management

The Village pays an annual premium to Michigan Municipal Underwriters for its general insurance coverage through the Michigan Township Participating Plan. The Village carries coverage for property damage, liability, wrongful acts, automobile, crime, and inland marine claims. The Village also carries worker's compensation insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

SUPPLEMENTAL DATA SECTION

Village of Copemish

Schedule 1

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Modified Cash Basis

For the Year Ended February 29, 2004

	Budget	Actual	Favorable (Unfavorable)
<i>Revenues</i>			
Property Taxes	\$ 30,000	\$ 34,769	\$ 4,769
State Shared Revenue	23,300	24,568	1,268
Equipment Rental & Reimbursement of Labor and Expenses	25,000	41,350	16,350
Licenses and Fees	-	95	95
Charges for Services-Garbage	6,000	7,261	1,261
Interest Earned	300	92	(208)
Miscellaneous	-	2,023	2,023
<i>Total Revenues</i>	<u>84,600</u>	<u>110,158</u>	<u>25,558</u>
<i>Expenditures</i>			
General Government			
<i>Village Council</i>			
Salaries & Wages		1,480	
Payroll Taxes		76	
Insurance & Bonds		6,023	
Professional Services		-	
Transportation		38	
Miscellaneous		73	
	<u>8,540</u>	<u>7,690</u>	<u>850</u>
<i>President</i>			
Salaries		2,400	
Payroll Taxes		170	
Transportation		100	
	<u>2,182</u>	<u>2,670</u>	<u>(488)</u>
<i>Elections</i>	530	321	209
<i>Clerk</i>			
Salaries & Wages		3,640	
Salaries - Other		220	
Payroll Taxes		239	
Office Supplies		-	
Transportation		70	
Capital Outlay		-	
	<u>4,249</u>	<u>4,169</u>	<u>80</u>

See Accompanying Notes to Financial Statements

Village of Copemish

Schedule 1

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Modified Cash Basis

For the Year Ended February 29, 2004

	Budget	Actual	Favorable (Unfavorable)
<i>Treasurer</i>			
Salaries & Wages		3,600	
Salaries - Other		240	
Payroll Taxes		238	
Office Supplies		-	
Communications		-	
Transportation		24	
Miscellaneous		-	
Capital Outlay		-	
	<u>4,249</u>	<u>4,102</u>	<u>147</u>
<i>Village Hall & Grounds</i>			
Salaries & Wages		28,458	
SUTA		54	
Payroll Taxes		2,300	
Repairs-Building		-	
Supplies		1,360	
Operating Expenses		4,771	
Contractual		3,985	
Public Utilities		1,786	
Repairs & Maintenance - Equip		5,063	
Insurance & Dues		2,405	
Miscellaneous		1,216	
Other		-	
Capital Outlay		1,128	
	<u>59,925</u>	<u>52,526</u>	<u>7,399</u>
<i>Other General Government</i>			
Other	-	-	
Miscellaneous	-	1,186	
	<u>500</u>	<u>1,186</u>	<u>(686)</u>
<i>Total General Government</i>	<u>80,175</u>	<u>72,664</u>	<u>7,511</u>
<i>Community Development</i>			
Zoning	<u>75</u>	<u>43</u>	<u>32</u>
<i>Total Community Development</i>	<u>75</u>	<u>43</u>	<u>32</u>
<i>Public Works</i>			
Street Lights	<u>6,250</u>	<u>6,228</u>	<u>22</u>
Sanitation	<u>3,600</u>	<u>3,180</u>	<u>420</u>
<i>Total Public Works</i>	<u>9,850</u>	<u>9,408</u>	<u>442</u>

See Accompanying Notes to Financial Statements

Village of Copemish

Schedule 1

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Modified Cash Basis

For the Year Ended February 29, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Other Functions			
Contingency	1,000	-	1,000
Retirement	-	1,040	(1,040)
Health Insurance	3,500	3,657	(157)
Unclassified	-	1,688	(1,688)
Total Other Functions	<u>4,500</u>	<u>6,385</u>	<u>(1,885)</u>
Debt Service	<u>-</u>	<u>3,879</u>	<u>(3,879)</u>
Total Expenditures	<u>94,600</u>	<u>92,379</u>	<u>3,071</u>
Excess Revenues (Expenditures)	(10,000)	17,779	27,779
Other Financing Sources (Uses)			
Operating Transfers In	-	-	-
Operating Transfers (Out)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues (Expenditures) and Other Sources (Uses)	<u>\$ (10,000)</u>	17,779	<u>\$ 27,779</u>
Fund Balance - Beginning of Year		<u>14,091</u>	
Fund Balance - End of Year		<u>\$ 31,870</u>	

See Accompanying Notes to Financial Statements

Village of Copemish

Schedule 2

*Special Revenue Funds
Combining Balance Sheet
Modified Cash Basis
February 29, 2004*

	<i>Major Streets</i>	<i>Local Streets</i>	<i>Park Fund</i>	<i>Total</i>
<i>Assets</i>				
Cash	\$ 1,559	\$ 576	\$ -	\$ 2,135
Due from Other Funds	-	-	-	-
<i>Total Assets</i>	<u>\$ 1,559</u>	<u>\$ 576</u>	<u>\$ -</u>	<u>\$ 2,135</u>
<i>Liabilities and Fund Equity</i>				
Due to Other Funds	\$ 10,404	\$ 3,216	\$ -	\$ 13,620
Due to Road Commission	8,159	-	-	8,159
Fund Balance	(17,004)	(2,640)	-	(19,644)
<i>Total Liabilities and Fund Equity</i>	<u>\$ 1,559</u>	<u>\$ 576</u>	<u>\$ -</u>	<u>\$ 2,135</u>

See Accompanying Notes to Financial Statements

Village of Copemish

Schedule 3

*Special Revenue Funds**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**Modified Cash Basis**For the Year Ended February 29, 2004*

	<i>Major Streets</i>	<i>Local Streets</i>	<i>Park Fund</i>	<i>Total</i>
<i>Revenues</i>				
State Shared Revenue	\$ 26,580	\$ 11,408	\$ -	\$ 37,988
Interest	27	16	-	43
Contributions	-	-	-	-
Grants - Private	-	-	-	-
<i>Total Revenues</i>	<u>26,607</u>	<u>11,424</u>	<u>-</u>	<u>38,031</u>
<i>Expenditures</i>				
Public Works	43,478	15,657	-	59,135
Recreation & Cultural	-	-	-	-
<i>Total Expenditures</i>	<u>43,478</u>	<u>15,657</u>	<u>-</u>	<u>59,135</u>
<i>Excess Revenues (Expenditures)</i>	(16,871)	(4,233)	-	(21,104)
<i>Other Financing Sources (Uses)</i>				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess Revenues (Expenditures) and Other Sources (Uses)</i>	(16,871)	(4,233)	-	(21,104)
Fund Balance - Beginning of Year	<u>(133)</u>	<u>1,593</u>	<u>-</u>	<u>1,460</u>
Fund Balance - End of Year	<u>\$ (17,004)</u>	<u>\$ (2,640)</u>	<u>\$ -</u>	<u>\$ (19,644)</u>

See Accompanying Notes to Financial Statements

Village of Copemish

Schedule 4

Major Streets Fund**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Modified Cash Basis
For the Year Ended February 29, 2004**

	<i>Budget</i>	<i>Actual</i>	<i>Favorable (Unfavorable)</i>
<i>Revenues</i>			
State Shared Revenue	\$ 20,000	\$ 26,580	\$ 6,580
Interest	100	27	(73)
Other Revenues	-	-	-
<i>Total Revenues</i>	<u>20,100</u>	<u>26,607</u>	<u>6,507</u>
<i>Expenditures</i>			
Routine Maintenance			
Equipment Rent & Wages	18,100	26,083	(7,983)
Equipment Rentals	-	-	-
Contract Services	1,000	17,130	(16,130)
Supplies	750	-	750
Miscellaneous	250	265	(15)
<i>Total Expenditures</i>	<u>20,100</u>	<u>43,478</u>	<u>(23,378)</u>
<i>Excess Revenues (Expenditures)</i>	-	(16,871)	(16,871)
<i>Other Financing Sources (Uses)</i>			
Operating Transfer In	-	-	-
Operating Transfer (Out)	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess Revenue & Other Sources Over (Under) Expenditures & Other Uses</i>	<u>\$ -</u>	(16,871)	<u>\$ (16,871)</u>
Fund Balance - Beginning of Year		(133)	
Fund Balance - End of Year		<u>\$ (17,004)</u>	

See Accompanying Notes to Financial Statements

Village of Copemish

Schedule 5

Local Streets Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Modified Cash Basis

For the Year Ended February 29, 2004

	<i>Budget</i>	<i>Actual</i>	<i>Favorable (Unfavorable)</i>
<i>Revenues</i>			
State Shared Revenue	\$ 11,000	\$ 11,408	\$ 408
Interest	100	16	(84)
Other Revenues	-	-	-
<i>Total Revenues</i>	<u>11,100</u>	<u>11,424</u>	<u>324</u>
<i>Expenditures</i>			
Routine Maintenance			
Equipment Rent & Wages	10,000	15,246	(5,246)
Equipment Rentals	-	-	-
Contract Services	-	-	-
Supplies	500	271	229
Miscellaneous	500	140	360
<i>Total Expenditures</i>	<u>11,000</u>	<u>15,657</u>	<u>(4,657)</u>
<i>Excess Revenues (Expenditures)</i>	100	(4,233)	(4,333)
<i>Other Financing Sources (Uses)</i>			
Operating Transfer In	-	-	-
Operating Transfer (Out)	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess Revenue & Other Sources Over (Under) Expenditures & Other Uses</i>	<u>\$ 100</u>	<u>(4,233)</u>	<u>\$ (4,333)</u>
Fund Balance - Beginning of Year		<u>1,593</u>	
Fund Balance - End of Year		<u>\$ (2,640)</u>	

See Accompanying Notes to Financial Statements

Village of Copemish

Schedule 6

Park Fund

Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Modified Cash Basis For the Year Ended February 29, 2004

	Budget	Actual	Favorable (Unfavorable)
<i>Revenues</i>			
Contributions	\$ -	\$ -	\$ -
Grants - Private	-	-	-
Grants - Tribal	-	-	-
Interest	-	-	-
<i>Total Revenues</i>	-	-	-
<i>Expenditures</i>			
Fund Raising Expense	-	-	-
Miscellaneous	-	-	-
<i>Total Expenditures</i>	-	-	-
<i>Excess Revenues (Expenditures)</i>	-	-	-
<i>Other Financing Sources (Uses)</i>			
Operating Transfer In	-	-	-
Operating Transfer (Out)	-	-	-
<i>Total Other Financing Sources (Uses)</i>	-	-	-
<i>Excess Revenue & Other Sources Over (Under) Expenditures & Other Uses</i>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year		-	
Fund Balance - End of Year		<u>\$ -</u>	

See Accompanying Notes to Financial Statements